



ECONOMIC DEVELOPMENT INDICATORS

Introduction

I. Purpose of Economic Development Indicators

The key outcomes of the Countywide Planning Policies' (CPPs) economic development policies are to:

- Promote Family-Wage Jobs
- Increase Income and Reduce Poverty
- Increase Business Formation, Expansion and Retention
- Create Jobs that Add to King County's Economic Base
- Increase Educational Skills

The purpose of the Economic Development Indicators is to identify trends in King County that support or undermine these outcomes. Over time, the trends established in the Indicators will help the Growth Management Planning Council (GMPC) evaluate the success of the Countywide Planning Policies in achieving their desired outcomes.

The eight Economic Development Indicators cover wages and income, poverty rates, the growth of jobs and new businesses, employment in export industries, high school graduation rates and educational attainment.

II. Key Observations*

The Countywide Planning Policies were adopted in 1994, and most local Comprehensive Plans were adopted in 1994 or later. We are not yet observing the full effects of these planning and policy initiatives. It may also be difficult in some cases to isolate the effects of the Countywide Planning Policies from the many factors exerting influence on the Indicators.

Indicator #1 **Real wages per worker.**

- Real wages rose 5.3% from 1994 to 1996, after largely stagnating between 1980 and 1994. A slight increase in 1995 was followed by a more significant increase in 1996, bringing real wages in King County to their highest level in seventeen years.

Indicator #2 **Personal and median household income: King County compared to the United States.**

- King County personal income exceeded the nationwide average income by 38% in 1995 and by 41% in 1996. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased by approximately 11%.

Indicator #3 **Percentage of population below the poverty level.**

- From 1980 - 1990 there was an increase in the percentage of people living in poverty for all ethnic groups, except non-hispanic whites. Data for this Indicator speaks to the income gap, in which the rich have been getting richer and the poor have been getting poorer. This phenomenon has been reported nationally, and our regional data confirm this trend.

* See Section V for definitions of terms.



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- The highest rates of poverty are among Native Americans and Blacks, particularly among families with children. One-third of people in these ethnic groups live in poverty. Smaller percentages of Asian and Hispanic children are below the poverty level. Yet in terms of total numbers, over half of King County's 32,600 poverty-level children are White.

Indicator #4 **New businesses created.**

- In the late 1980s, new businesses were formed at a rate of almost five percent per year. Since 1990, the rate has been variable, averaging 2.2% per year from 1990 - 1996.

Indicator #5 **New jobs created by employment sector.**

- From 1995 to 1996 overall employment opportunity increased substantially with 38,700 new jobs added - a rise of 4.1% in one year.

Indicator #6 **Employment in industries that export from the region.**

- Industries that have a significant export component bring income into our area. Growth in export sectors has been strong over the long term, but shows variation with business cycles.
- About 40% of our export base involves business, professional, and financial services. Business services include Microsoft and many other high technology firms that do software-related work.
- The number of jobs in manufacturing is about the same as it was in 1980. Currently the manufacturing sector accounts for 30% of King County's jobs in export sectors.

Indicator #7 **Educational background of adult population.**

- About 88% of the County's adult population are high school graduates, compared to 77% nationally. Data continues to show that those who do not complete high school earn only about 42% of what is earned by college graduates. Males drop-outs earn only 39% of what is earned by males with bachelor's degrees. From 1991 - 1995 the real earnings of males who did not finish high school fell almost 10%.
- A full 33% of King County adults have a college degree compared with 21% nationally. Nevertheless, other research indicates that we are importing college graduates to meet our labor force needs.

Indicator #8 **High school graduation rate.**

- The overall graduation rate remained fairly stable around 84% from 1988 to 1994, but dropped to 79.7% in 1996.
- In the 1991/1992 school year (the most recent for which race/ethnic breakdowns are available), the graduation rate for Asian students was 88.7%; for Black students, 73.7%; for Native American students, 76.6%; for White students, 84%; and for Hispanic students, 74.5%.

III. Discussion

Although each Benchmark Indicator is measured separately, many are interconnected. Factors affecting the Economic Development Indicators will also have effects on the other Indicators in the Benchmark Report. For example, an individual's educational level affects his or her earning potential. A family's earnings affect their ability to find affordable housing, and also affects *where* they find affordable housing. This in turn influences their transportation choices. Sectoral shifts in the economy affect wage levels, and influence the type of education needed to earn a family wage. Housing affordability and the quality of the natural environment affect King County's ability to attract and retain employers; this in turn affects incomes and the health of our local economy.



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Wages and Income

The King County economy has grown strongly for two years, and real wages (wage levels after accounting for inflation) have increased. However, average household income has stabilized after increasing from 1994 - 1995. The recent shift in the economy from high-paying manufacturing jobs to generally lower-paying service jobs may reduce opportunities for wage and income growth.

Personal Income

We have been holding our own as much of the rest of the country has experienced a decline in income in real terms. King County *personal* income exceeded the nationwide average income by 38% in 1995 and 41% in 1996. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased by approximately 11%.

Educational Attainment

Our regional economy is increasingly driven by high-technology. Information technology and biotechnology are growing in importance alongside our traditional high-tech industries such as aerospace and instrument manufacturing. Washington ranks third among states in the number of software jobs, and in the top ten in biotech jobs. A large share of these jobs are located in King County. These rapidly growing “knowledge-based” industries are dependent upon a highly educated and technically skilled workforce.

King County is a highly educated community in which 88% of the adult population are high school graduates, in contrast to 77% nationally. A full 33% of King County adults have at least a Bachelor’s degree, compared with 21% nationally. The proportion of the adult population with a Bachelor’s degree or higher nearly doubled between 1970 and 1990. In a 1996 survey of high-technology employers, our region’s skilled work force was named more than any other factor as making this a good or excellent place to do business.

This positive news notwithstanding, further improvement in our educational system is critical to the future economic health of individuals and the region. In the same survey cited above, half of employers described our educational system’s preparation of K-12 students as fair, and another 28% described it as poor to failing. Not surprisingly, employers rank improvements in K-12 math and science curricula as a top priority for the State. In 1993, voters passed the education reform law ESHB 1209 to raise academic standards, develop better methods for measuring student performance, and increase accountability for results. These state mandated education reforms are to be implemented in Washington’s public schools by 2000. This marks the first time the state will have one common set of standards to which all students and teachers will be accountable.

High School Graduation Rates

King County public high school graduation rates remained fairly stable at about 84% from 1990 - 1995. However, in 1996 the County’s graduation rate fell to 79.7%. This rate measures only those who dropout during the senior year of high school.

In the 1991/1992 school year (the most recent for which race/ethnic breakdowns are available), the graduation rate for Asian students was 88.7%; for Black students, 73.7%; for Native American students, 76.6%; for White students, 84%; and for Hispanic students, 74.5%.

More recently, the Seattle School District has reported a 25% dropout rate for its 1995-1996 school year. This represents students from the class of 1995-1996 who dropped out any time during their four years of



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high school. Dropout rates are considered somewhat imprecise, in part due to problems tracking students who move to other school districts. In the future, the Benchmark Report will be able to track the percentage of students who drop out any time during their four years of high school for the entire County.

The outlook is bleak for King County youth who drop out of high school. As skills and education have become necessary job qualifications, the average earnings of high school dropouts have plunged. Nationwide in 1991, male high school dropouts earned 47% of what males with college degrees earned; by 1995, it had fallen to 39%. Females who drop out of high school face particularly poor prospects. In 1993, female high school dropouts earned only 3/4 of what male high school dropouts earned, and only half of what females with 4-year degrees or more earned.

IV. General Information About Indicators and Data Sources

Indicators #1 *Real wages per worker*, #4 *New businesses created*, #5 *New jobs created by employment sector* and #6 *Employment in industries that export from the region* rely on employment reports from the Washington State Employment Security Department on number of businesses, covered employment, and wages and salaries by industry sector. Covered employment is all employment covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act. It comprises about 90% of total employment.

Indicators #2 *Personal and median household income: King County compared to the United States*, #3 *Percentage of population below the poverty level* and #7 *Educational background of adult population* rely on decennial Census data. Indicator #8 *High school graduation rate* uses information from the Washington State Superintendent of Public Instruction.

V. Definitions of Terms

- **Current** or nominal dollars are unadjusted for inflation.
- **Employment** is covered wage and salary employment (jobs covered by state unemployment insurance). Covered employment represents over 90% of all employment.
- **Export or basic sectors** are those which contribute to the economic base by exporting to the rest of the nation and the world. The figures reported reflect all employment in sectors that are basic, not just employment that is directly related to exports.
- **Household Income** includes income of the householder and all other persons 15 and older, whether related to the householder or not. It includes income from all sources, including but not limited to wages and salaries, interest and dividends, rental income, social security payments and public assistance, retirement pensions, disability benefits, unemployment compensation, alimony and child support
- **Median household income** is the income of the "middle" household, when all households are arranged in order by income. Half the households in the county have a higher income, and half a lower income, than the median household.
- **Per capita personal income** is the total county personal income (including wages, benefits, interest, transfer payments, single proprietor incomes and tips) divided by the total county population.
- **Poverty** is defined based on income. Population below the poverty level refers to persons in households whose incomes are below dollar thresholds updated each year by the federal Office of Management and Budget. The dollar thresholds are based on the Agriculture Department's lowest of three basic food plans, and vary depending on age and family size. In 1970, the threshold was \$3,721



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for a family of four. That figure rose to \$7,412 and to \$12,674 for the 1980 and 1990 census years, respectively.

- **Real dollars** are dollars adjusted for inflation. The inflation index used is the Consumer Price Index (CPI-Urban) with 1982-1984 = 100.

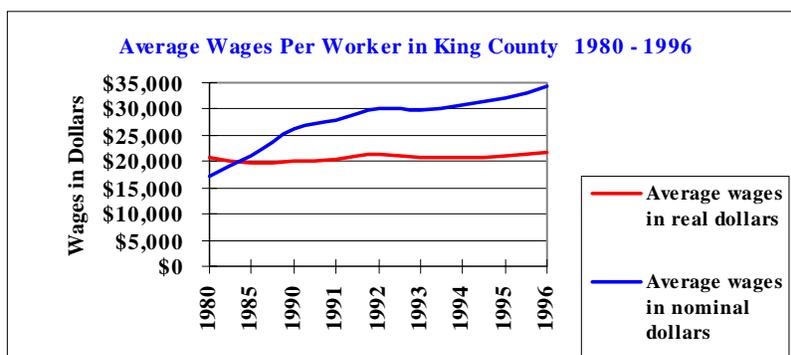
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Outcome: Promote Family-Wage Jobs.

INDICATOR 1: Real wages per worker.

Average Wages Per Covered Worker in King County									
	1980	1985	1990	1991	1992	1993	1994	1995	1996
Average wages, real dollars	\$20,758	\$19,675	\$19,979	\$20,372	\$21,420	\$20,671	\$20,725	\$21,135	\$21,821
Average wages, nominal dollars	\$17,105	\$21,170	\$26,112	\$27,746	\$30,052	\$29,870	\$30,715	\$32,210	\$34,368



Definitions:

- Wages shown in the table are per covered worker. Covered workers are all those covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act. They comprise about 90% of total employment.
- The inflation index used is the Consumer Price Index (CPI-Urban) with 1982-1984 = 100. Real dollars are dollars adjusted for inflation using the above index. Nominal or current dollars are unadjusted for inflation.

Observations:

- Real wages per worker rose 5.3% from 1994 to 1996, after largely stagnating between 1980 and 1994. A slight increase in 1995 has been followed by a more significant increase in 1996, bringing real wages in King County to their highest level in seventeen years.
- This overall average blends high wages in manufacturing, finance and transportation/utilities with low wages in retail and some services.
- Higher wages in King County in 1995 and 1996 are due to (a) increases in jobs in high-paying sectors such as aerospace and computer services, and (b) lower inflation.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). The publication is issued quarterly.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, and ED-12. This measure monitors how workers are faring, and complements the household income measure (Indicator #2).

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Outcome: Increase Income and Reduce Poverty.

INDICATOR 2: Per capita personal and median household income: King County compared to the United States.

A. Per Capita Personal Income as a Percent of U.S. Per Capita Personal Income									
Year	1980	1985	1990	1991	1992	1993	1994	1995	1996
Percent of US per capita personal income	130%	129%	132%	135%	138%	134%	135%	138%	141%
King Co. per capita personal income in real dollars	\$15,695	\$16,954	\$18,812	\$19,112	\$19,777	\$19,783	\$20,279	\$21,132	\$21,867
King Co. per capita personal income in nominal dollars	\$12,933	\$18,242	\$24,587	\$26,031	\$27,747	\$28,587	\$30,054	\$32,205	\$34,440

B. Median Household Income as a Percent of the U.S. Median										
Year	1970	1980	1990	1991	1992	1993	1994	1995	1996	1997
Percent of US median household income	117%	117%	121%	132%	128%	126%	127%	126%	125%	na
Seattle-Everett MSA median household income in real dollars	\$26,237	\$25,142	\$27,681	\$29,117	\$27,958	\$27,224	\$27,735	\$28,262	\$28,155	\$27,959
Seattle-Everett MSA median household income in nominal dollars	\$10,180	\$20,717	\$36,179	\$39,658	\$39,225	\$39,338	\$41,104	\$43,071	\$44,344	\$45,266

Definitions:

- *Per capita personal income is the total County personal income (including wages, benefits, interest, transfer payments, single proprietor incomes and tips) divided by the total County population.*
- *Median household income is the income of the “middle” household, when all households are arranged in order by income. Half the households in the county have a higher income, and half a lower income, than the median household.*
- *Median household income as reported in the 1970, 1980 and 1990 Census is for King County. Median household income for 1991-1997 is for the Seattle-Everett Metropolitan Statistical Area, which includes King and Snohomish Counties, and in 1993 was expanded to include Island County.*
- *Nominal dollars are dollars unadjusted for inflation. The inflation index used is the national consumer price index for all urban consumers (CPI-U), 1982-1984=100.*

Observations:

- King County personal income exceeded the nationwide average income by 38% in 1995 and by 41% in 1996. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased by approximately 11%.



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INDICATOR 2:

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- Household income in the region exceeded the nationwide average by 25% in 1996. However, median household income in the Seattle-Everett MSA has declined slightly as a percent of U.S. median household income, after a high of 132% in 1991. Household income includes all sources of income and typically includes more than one worker, hence median household income is higher than per capita personal income.

Data Sources: Table A: *Local Area Personal Income and Washington Total Personal Income and Per Capita Personal Income* (by county), Bureau of Economic Analysis, U. S. Department of Commerce. **The personal income data for 1993 - 1996 has been revised and updated from the 1997 Benchmark Report based on figures released by the Bureau of Economic Analysis in April and May, 1998.** Table B: *Decennial Census of Population: Social and Economic Characteristics, Washington* for median household incomes in 1970, 1980 and 1990. Donnelly Marketing Information Services' *Market Profiles Analysis* for median household incomes from 1991-1995. Strategic Mapping, Inc. (formerly Donnelly Marketing) for median household income in 1996.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, and ED-6. As King County makes progress towards its goal of strengthening the economy, the earnings of King County residents should improve relative to the U. S. as a whole.

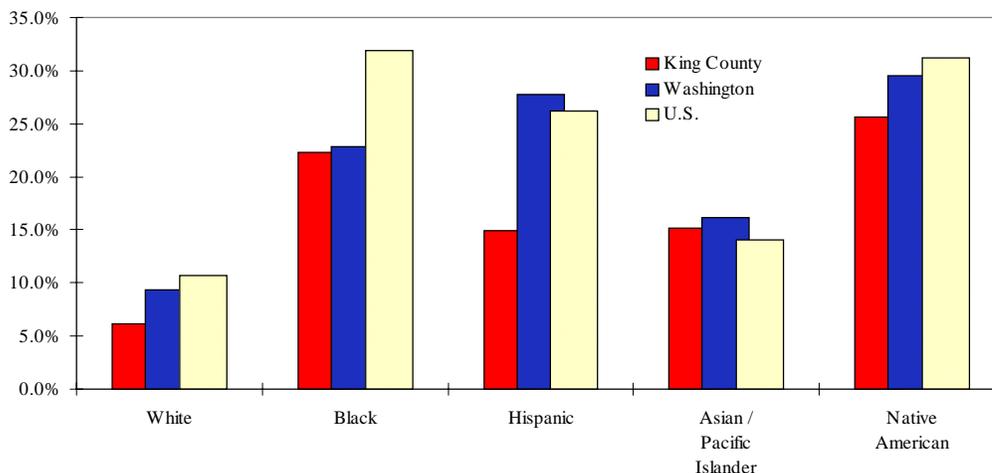
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Outcome: Increase Income and Reduce Poverty.

INDICATOR 3: Percentage of population below the poverty level.

Percent and Total Number of Persons Below the Poverty Level, by Race/Ethnic Group								
Race/Ethnic Group:	1970, King County		1980, King County		1990, King County		1990, Washington State	1990, U.S.
	%	#	%	#	%	#	%	%
Total	7.5%	85,478	7.7%	95,577	8.0%	117,589	10.9%	13.5%
White	NA	NA	6.5%	71,942	6.1%	76,601	9.4%	10.7%
Black	20.7%	8,188	21.0%	11,250	22.3%	16,149	22.8%	31.9%
Hispanic	8.3%	1,721	13.9%	3,642	14.9%	6,134	27.8%	26.2%
Asian / Pacific Islander	NA	NA	13.2%	8,105	15.2%	17,784	16.2%	14.1%
Native American	NA	NA	20.7%	2,673	25.6%	4,432	29.5%	31.2%

Percentage of population below the poverty level, 1990



Definitions:

The poverty threshold is based on income. Population below the poverty level refers to persons in households whose incomes are below dollar thresholds updated each year by the Office of Management and Budget. The dollar thresholds are based on the Agriculture Department's lowest of three basic food plans, and vary depending on age and family size. In 1970, the threshold was \$3,721 for a family of four. That figure rose to \$7,412 and to \$12,674 for the 1980 and 1990 census years, respectively. "NA" means data were not available.



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INDICATOR 3:

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Observations:

- Although most persons who are below the poverty level are White, as the *total numbers* in poverty show, non-Whites are far more likely to be poor, as the *percentage* figures indicate. In King County Native Americans and Blacks are four times more likely to be poor than are Whites.
- The highest rates of poverty are among Native Americans and Blacks, particularly among families with children. One third of Native American and Black children live in poverty. Smaller percentages of Asian and Hispanic children are below poverty level. Yet in terms of total numbers, over half of King County's 32,600 poverty-level children are White.
- Although there was a 23 percent increase in the number of King County residents with incomes below the poverty level between 1980 and 1990, the overall poverty rate in King County in 1990 at 8.0 percent still is considerably lower than the 10.9 percent in the State of Washington and 13.5 percent nationally.
- *1993 Income and Poverty Estimates* from the U.S. Bureau of Census indicate a rise in King County's poverty rate to 9.9% compared to the 8.0% reported in 1990. According to this estimate 12.2% of children in King County are in households below the poverty threshold, compared to 9.3% reported in 1990. This information is based on a limited sample and is not reported in the table above. No further data will be available until after the decennial census in 2000.

Data Source: Decennial *Census of Population: Social and Economic Characteristics, Washington, 1990. Statistical Abstract of the United States, 1995*, U.S. Department of Commerce. *County Income and Poverty Estimates for Washington: 1993*. U.S. Census Bureau.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-34, FW-36, ED-1, ED-12, and ED-13. This Indicator measures the success of King County's efforts to increase the skills and employability of those in poverty and to add them to the work force in jobs that provide wages which support families.

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Outcome: Increase Business Formation, Expansion and Retention.

INDICATOR 4: New businesses created.

New Businesses Created, King County									
	1980	1985	1990	1991*	1992	1993	1994	1995	1996
Total number of businesses	34,624	39,575	50,204	50,501	52,486	53,748	55,813	55,638	56,887
Number of net new businesses	NA	4,951	10,629	297	1,985	1,262	2,065	-175	1,249
Average annual growth rate	NA	2.7%	4.9%	0.6%	3.9%	2.4%	3.8%	-0.3%	2.2%

* The reduced rate of growth between 1990 and 1991 may be due partly to an accounting change by the federal government in the way businesses and jobs are counted.

Definitions:

- The figures presented above are net figures which account for business closures.
- The average annual growth rate is a compounded figure as a percentage of the previous time period's total establishments.
- Businesses shown are employer units (firms, agencies and individuals) whose employees are covered by the Washington State Employment Security Act and Federal government agencies or departments covered by Title 5, U.S.C. 85. All firms regardless of size are included. These firms account for approximately 90% of all employment.
- Excluded from this analysis are:
 - sole proprietorships or partnerships with no employees
 - private households as employer units. The significant growth of this group is attributed to increased awareness of reporting requirements for domestic workers rather than an actual increase in households employing domestic workers.

Observations:

- In the late 1980s, new businesses were formed at a rate of almost five percent per year. Since 1990, the rate has been variable, declining in 1995 and rising again in 1996.
- King County's average annual growth rate for new businesses for 1990 through 1996 is 2.2%, somewhat less than Washington State's 3.1% average annual growth rate for the same period.
- This measure captures business vitality, optimism, entrepreneurial activity, business climate and innovation. As the business climate improves, economic vitality also improves and the numbers in this Indicator increase.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD).

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. Small business growth has been characterized as the basis of a healthy economy.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Business Formation, Expansion and Retention.

INDICATOR 5: New jobs created, by employment sector.

Net Change in Number of Jobs, Overall and By Sector										
Sector:	1980-1985	1985-1990	1991*	1992	1993	1994	1995	1996	Job Growth 1980-1996	Percent Growth
Agriculture/Forestry/ Fishing/Mining	1,050	4,052	481	-369	-744	-210	-206	138	4,192	95%
Construction	-980	15,431	-2,203	298	-2,414	-606	-27	1,655	11,154	33%
Manufacturing:										
Transportation Equipment	-2,912	23,182	-1,781	-4,899	-13,006	-10,224	-6,499	1,751	-14,443	-20%
All Other Mfg.	-4,243	16,099	-3,600	192	916	779	2,503	2,528	15,253	23%
Transportation/Public Util.	3,305	12,773	-471	819	-710	1,628	2,233	2,833	22,410	50%
Wholesale Trade	2,472	13,863	-108	759	-186	1,741	3,120	1,428	23,089	45%
Retail Trade	11,414	29,838	-2,414	48	1,469	4,006	5,164	5,698	55,223	49%
Finance, Ins. & Real Est.	4,853	8,289	-1,552	287	666	636	-2,014	531	11,696	22%
Services	28,427	70,096	1,722	6,782	13,343	6,791	12,144	19,715	159,020	123%
Government	4,470	17,610	4,165	4,195	1,940	865	2,318	2,471	38,097	40%
Overall Net Change in Jobs	47,856	211,233	-5,761	8,112	1,274	5,406	18,736	38,748	325,667	49%

* An accounting change by the federal government caused an artificial decline in employment between 1990 and 1991 throughout the U.S., including about 6,000 jobs in King County.

Definitions:

- Employment figures are for covered workers. Covered workers are all those covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act or Title 5, U.S.C. 85. They comprise about 90% of total employment.
- In this classification scheme, "services" includes business services. A sub-category of business services is the computer software and services industry.

Observations:

- From 1995 to 1996 overall employment opportunity has increased substantially with 38,700 new jobs added.
- From 1990 to 1996, new job creation was approximately 1.2% percent per year
- Job growth since 1990 has focused more narrowly than the broad growth characteristic of 1985 - 1990. During that five year period there was a 30% increase in jobs, of which nearly a third were in the services sector, and the rest was widely distributed across all other sectors. In the 1990s services comprise by far the largest share (91%) of new jobs created. Retail and Government contributed the next largest shares of the new jobs, although both are well below the growth in the service sector.
- The computer software and services industry employed about 10% of all service sector employment in 1996. This comprised nearly 3% of all workers in King County that year.



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INDICATOR 5:

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- Job losses in the 1990s have been primarily in the transportation equipment manufacturing sector. The Agriculture/Forestry/Fishing/Mining and Transportation Equipment Manufacturing sectors experienced job losses annually from 1992 to 1995, and Construction experienced job losses from 1993 to 1995. However, all three sectors had job gains from 1995 to 1996.
- Overall, job losses since 1991 have been more than offset by the 60,000 new jobs created in the service sector from 1991 to 1996.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD).

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. This Indicator helps evaluate one of the bases of a healthy economy.



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Outcome: Create Jobs that Add to King County's Economic Base.

INDICATOR 6: Employment in industries that export from the region.

Average Monthly Employment in King County Export Sectors, by Year												
Sector											Sector's Share of Export and Total Jobs in County, 1996	
	1980	1985	1990	1991	1992	1993	1994	1995	1996	Export	Total	
Manufacturing:	139,324	132,169	171,450	166,069	161,362	149,272	139,827	135,831	140,110	29.7%	14.1%	
<i>Transportation Equipment</i>	73,800	70,833	94,015	92,234	87,335	74,329	64,105	57,606	59,357	12.6%	6.0%	
<i>All Other Manufacturing</i>	65,500	61,336	77,435	73,835	74,027	74,943	75,722	78,225	80,753	17.1%	8.2%	
Transportation/Public Util.	44,416	47,721	60,494	60,023	60,842	60,132	61,760	63,993	66,826	14.2%	6.7%	
Wholesale Trade	51,270	53,742	67,605	67,497	68,256	68,070	69,811	72,931	74,359	15.8%	7.5%	
Services:												
<i>Business Services</i>	29,673	35,800	55,130	53,288	55,060	60,867	66,033	73,479	86,369	18.3%	8.7%	
<i>Legal Services</i>	5,045	7,418	10,239	9,787	9,761	9,804	9,811	9,762	9,747	2.1%	1.0%	
<i>Engineering, Mgmt.</i>	NA	NA	25,768	26,339	25,967	27,184	27,433	28,292	29,766	6.3%	3.0%	
Finance, Ins. & Real Estate	52,673	57,526	65,815	64,263	64,550	65,216	65,852	63,838	64,369	13.7%	6.5%	
Total Jobs in Export Sectors	322,377	334,376	456,501	447,266	445,798	440,545	440,527	448,126	471,546	100.0%	47.6%	

Definitions:

- *Export or basic sectors are those which contribute to the economic base by exporting to the rest of the nation and the world. This analysis defines export sectors as those sectors with Location Quotients greater than 0.3 for manufacturing sectors, greater than 0.9 for producer services, and greater than 1.2 for sectors other than manufacturing and producer services. Location quotients are ratios which measure the County's economy to identify which industry sectors contribute to the economic base through exports. The formula for Location Quotients is:*

$$\frac{\text{Total workers in a particular sector in King County} / \text{Total employment in King County}}{\text{Total workers in a particular sector in the U.S.} / \text{Total employment in the U.S.}}$$

- *The higher a King County sector's Location Quotient is, the more it exports to the rest of the nation and the world.*
- *In this classification scheme, business services includes the computer software and services industry.*
- *The figures shown reflect all employment in sectors that export; however, not all employment in these sectors is directly related to exports.*

Observations:

- Our economic base is part of a multi-county regional economy based on exports to the rest of the U.S. and abroad.
- Significant amounts of export activity are not represented in the table; the table shows the key export sectors, but sectors other than those shown also export and thereby bring dollars into our economy. The Services sector as a whole is not considered an export sector (see Definitions above), however the three shown subsectors of the service sector are considered basic based on their propensity to export.



ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 6:

(continued from previous page)

Observations: (continued)

- The number of jobs in manufacturing is about the same as it was in 1980, and the manufacturing sectors still account for 30% of King County's jobs in export sectors.
- Current projections indicate the region's traditional export employment base in the aerospace industry has peaked and will slowly decline over time as productivity increases. Therefore, the contribution of other manufacturing industries and of the service sector to basic employment will be critical for the economic health of the region.
- Computer software and services employs nearly 3% of all workers in King County and contributes significantly to export activity.

Data Sources: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). The annual *Statistical Abstract of the United States* provides data on total national employment and national employment levels by industry sector.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-3, and ED-6a and ED-9. The export base of the economy brings income into the region by selling to customers outside of the region and is the driving force of the economy.



ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Educational Skill Levels.

INDICATOR 7: Educational background of adult population.

Educational Background of Adult Population in King County			
Percent of population over 25 with:	1970	1980	1990
High School Diploma or Higher	69%	83%	88%
Some college (includes A.A. degree)	16%	23%	32%
Bachelor's Degree or higher	17%	26%	33%

Definitions:

- *High school diploma figures include GED (General Educational Development) certificate holders. "A.A." refers to Associate of Arts degree. "Some college, includes A.A. degree" includes all who completed one to three years of college.*

Observations:

- A far higher proportion of the population now (1990) holds both high school and higher education qualifications than in 1970. King County is a highly educated community in which 88% of the adult population are high school graduates, in contrast to 77% nationally.
- One third of King County adults (over age 25) have a college degree, compared to 21% for the U.S. as a whole. An additional 32% have attended some college, but did not obtain a 4-year degree. 23% of King County adults have a high school diploma with no further education, and 12% do not have a high school diploma or equivalency degree.

The following observations are based on data for the nation as a whole, not specifically for King County.

- Educational level is a predictor of future income. In 1995, adults in the U.S. with only a high school education earned roughly half of what those with a Bachelor's degree or more earned. Those who dropped out of high school earned about 42% of the earnings of those with a college degree.
- For men, incomes are increasing for those with Bachelor's degrees or more, and falling or stagnating for those less educated. Nationwide, the average earnings of men with Bachelor's degrees grew 7.2% in real terms from 1991 to 1995. During the same period, the real earnings of men with only a high school education declined 1.7%, and the earnings of male high school dropouts fell almost 10%.
- For the U.S. as a whole, between 1991 and 1995 women's average earnings fell or stagnated at all educational levels. The average earnings for female high school dropouts working full-time, year-round fell 23% in real dollars, and for female high school graduates real earnings dropped 25.5%. The average earnings for women with Bachelor's degrees dropped just .5%.
- As women reach higher educational levels, their average earnings compared to men at the same educational level actually decline. In 1995, female high school dropouts working full-time, year-round, earned 69% of what male high school dropouts earned. Women with Bachelor's degrees earned only 61% of what men with Bachelor's degrees earned.



ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 7:

(continued from previous page)

Data Source: *Decennial Census of Population: Social and Economic Characteristics, Washington. For observations about earnings, 1995 Statistical Abstract of the United States and 1997 Statistical Abstract of the United States.*

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-31, ED-1 and ED-13. King County must have a work force that is very well educated. Education and training are critical to develop and maintain a highly skilled and well paid workforce.



ECONOMIC DEVELOPMENT INDICATORS

Outcome: *Increase Educational Skill Levels.*

INDICATOR 8: High school graduation rate.

King County High School Graduation Rates by Race/Ethnic Group*								
Year	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Total	84.4%	84.3%	84.0%	83.3%	NA	84.8%	83.2%	79.7%
Black	79.9%	82.6%	77.2%	73.7%	NA	NA	NA	NA
Asian	89.4%	88.7%	88.8%	88.7%	NA	NA	NA	NA
Hispanic	77.8%	78.3%	78.8%	74.5%	NA	NA	NA	NA
Indian	73.2%	70.2%	76.6%	67.6%	NA	NA	NA	NA
White	84.4%	84.3%	84.0%	83.7%	NA	NA	NA	NA

* Ethnic designations shown are those used by the Office of the Superintendent of Public Instruction. Data are not available for 1993, and are not available by ethnic group for 1994 - 96.

Definitions:

- Graduation rates are for students in public school districts in King County. The graduation rate is the percent of students who graduate out of the number of students enrolled in 12th grade in October of the school year.

Observations:

- Graduation rates fell for students in all categories between school year 1988/1989 and 1991/1992. The overall rate rose slightly in 1993/1994, but dropped again in 1994/1995 and in 1995/1996. There has been a drop of 5.1% in graduation rates from 1994 to 1996.
- Opportunities are especially bleak for King County youth who drop out of high school. The job pool for uneducated, unskilled workers is shrinking, and pay for these jobs is low. Earnings for male high school dropouts fell almost 6% in real terms from 1991-1993. Nationwide in 1995, male high school dropouts earned only 39% of what men with Bachelor's degrees or more earned. Female high school dropouts earned only 45% of what women with Bachelor's degrees or more earned.
- This Indicator was originally titled '*Percentage of 9th graders who go on to obtain a high school diploma*'. Data are not yet available to answer this question. The Washington State Superintendent of Public Instruction now requires school districts to track each student's progress from the 9th through the 12th grades. The new measure '*Percentage of 9th graders who go on to obtain a high school diploma*' will account for students who move or transfer between districts, or leave and return to school. School districts in the region that already track the number of students who start but fail to complete high school report that the dropout rates obtained using the new method are significantly higher than the dropout rates from the more conventional reporting method.
- Approximately 12.5% of all enrolled students in King County attend private schools. They are not considered in this indicator. Minority students represent 20.2% of those enrolled in private schools and 29.8% of those enrolled in public schools in King County.

Data Source: Office of the Superintendent of Public Instruction, Olympia. *1995 and 1997 Statistical Abstract of the United States.*

Policy Rationale: The rationale stems from Countywide Planning Policies FW-34, ED-1 and ED-13.